



DOUGLAS A. DUCEY
GOVERNOR

STATE OF ARIZONA
OFFICE OF THE GOVERNOR

EXECUTIVE OFFICE

June 7, 2019

The Honorable Katie Hobbs
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Hobbs:

I am transmitting to you the following bills from the Fifty-fourth Legislature, 1st Regular Session, which I signed on June 7th, 2019:

H.B. 2039 elections; federal form; emergency voting (Townsend)
H.B. 2076 virtual training simulators; location (Fillmore)
H.B. 2134 municipal elections; write-in candidates (Cobb)
H.B. 2146 contracts; licensure requirements; exemption (Rivero)
H.B. 2190 CORP; accidental disability; definition (Payne)
H.B. 2265 defensive driving schools; course requirements (Payne)
H.B. 2275 TPT exemptions; propagative materials (Dunn)
H.B. 2358 landlord tenant; partial payment; assistance (Toma)
H.B. 2360 TPT; estimated payments; liability threshold (Toma)
H.B. 2493 solar energy devices; appraisal methods (Cobb)
H.B. 2532 critical health information; emergency responders (Gabaldon)
H.B. 2547 racing commission; simulcasting; wagering facilities (Finchem)
H.B. 2556 agricultural property; uses; rural activities (Finchem)
H.B. 2646 commerce authority; application review (Teller)
H.B. 2670 study committee; special education; gifted (Bolick)
S.B. 1027 tax credit; charitable organizations; eligibility (Leach)
S.B. 1037 prisoners; parole hearings; recertification procedures (Brophy-McGee)
S.B. 1062 public disclosure; health professionals; address (Carter)
S.B. 1064 court security officers; certification; powers (Borrelli)
S.B. 1087 vehicle liability insurance; minimum limits (Brophy-McGee)
S.B. 1213 ASRS; return to work (Livingston)
S.B. 1236 tax liens; fees; certificate expiration (Mesnard)
S.B. 1241 state parks board; heritage fund (Brophy-McGee)
S.B. 1246 behavioral health; foster children (Brophy-McGee)
S.B. 1248 property taxes; valuation; property modifications (Leach)
S.B. 1259 ADOT; proportional registration; temporary registration (Livingston)
S.B. 1300 low-income housing; tax exemption (Brophy-McGee)
S.B. 1307 DUI; license reinstatement; evaluation requirements (Livingston)
S.B. 1310 earned release credits; drug offenses (E. Farnsworth)

S.B. 1321 health information organizations (Carter)
S.B. 1330 emergency management compact; workers (Borrelli)
S.B. 1332 alternative fuel vehicles; VLT (Livingston)
S.B. 1352 health care directives registry; transfer (Carter)
S.B. 1451 procedures; nomination petitions; registered circulators (Leach)
S.B. 1456 vision screening; schools; appropriation (S. Allen)
S.B. 1482 state agencies; fee increase; limit (Mesnard)
S.B. 1494 marijuana; testing; advisory council; library (Gowan)
S.B. 1528 video service providers; license (Carter)
S.B. 1536 controlled substances; delegation; monitoring (Brophy-McGee)
S.B. 1538 adult protective services (Brophy-McGee)

Sincerely,

A handwritten signature in black ink, reading "Douglas A. Ducey". The signature is fluid and cursive, with the first name "Douglas" being the most prominent.

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

Senate Engrossed

FILED
KATIE HOBBS
SECRETARY OF STATE

State of Arizona
Senate
Fifty-fourth Legislature
First Regular Session
2019

CHAPTER 297
SENATE BILL 1027

AN ACT

AMENDING SECTION 43-1088, ARIZONA REVISED STATUTES; RELATING TO INDIVIDUAL
INCOME TAX CREDITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 43-1088, Arizona Revised Statutes, is amended to read:

43-1088. Credit for contribution to qualifying charitable organizations; definitions

A. Except as provided in subsections B and C of this section, a credit is allowed against the taxes imposed by this title for voluntary cash contributions by the taxpayer or on the taxpayer's behalf pursuant to section 43-401, subsection G during the taxable year to a qualifying charitable organization, other than a qualifying foster care charitable organization, not to exceed:

1. ~~Four hundred dollars~~ \$400 in any taxable year for a single individual or a head of household.

2. ~~Eight hundred dollars~~ \$800 in any taxable year for a married couple filing a joint return.

B. A separate credit is allowed for voluntary cash contributions during the taxable year to a qualifying foster care charitable organization. A contribution to a qualifying foster care charitable organization does not qualify for, and shall not be included in, any credit amount under subsection A of this section. If the voluntary cash contribution by the taxpayer or on the taxpayer's behalf pursuant to section 43-401, subsection G is to a qualifying foster care charitable organization, the credit shall not exceed:

1. ~~Five hundred dollars~~ \$500 in any taxable year for a single individual or a head of household.

2. ~~One thousand dollars~~ \$1,000 in any taxable year for a married couple filing a joint return.

C. Subsections A and B of this section provide separate credits against taxes imposed by this title depending on the recipients of the contributions. A taxpayer, including a married couple filing a joint return, in the same taxable year, may either or both:

1. Contribute to a qualifying charitable organization, other than a qualifying foster care charitable organization, and claim a credit under subsection A of this section.

2. Contribute to a qualifying foster care charitable organization and claim a credit under subsection B of this section.

D. A husband and wife who file separate returns for a taxable year in which they could have filed a joint return may each claim only one-half of the tax credit that would have been allowed for a joint return.

E. For the purposes of this section, a contribution for which a credit is claimed and that is made on or before the fifteenth day of the fourth month following the close of the taxable year may be applied to either the current or preceding taxable year and is considered to have been made on the last day of that taxable year.

1 F. If the allowable tax credit exceeds the taxes otherwise due
2 under this title on the claimant's income, or if there are no taxes due
3 under this title, the taxpayer may carry forward the amount of the claim
4 not used to offset the taxes under this title for not more than five
5 consecutive taxable years' income tax liability.

6 G. The credit allowed by this section is in lieu of a deduction
7 pursuant to section 170 of the internal revenue code and taken for state
8 tax purposes.

9 H. Taxpayers taking a credit authorized by this section shall
10 provide the name of the qualifying charitable organization and the amount
11 of the contribution to the department of revenue on forms provided by the
12 department.

13 I. A qualifying charitable organization shall provide the
14 department of revenue with a written certification that it meets all
15 criteria to be considered a qualifying charitable organization. The
16 organization shall also notify the department of any changes that may
17 affect the qualifications under this section.

18 J. The charitable organization's written certification must be
19 signed by an officer of the organization under penalty of perjury. The
20 written certification must include the following:

21 1. Verification of the organization's status under section
22 501(c)(3) of the internal revenue code or verification that the
23 organization is a designated community action agency that receives
24 community services block grant program monies pursuant to 42 United States
25 Code section 9901.

26 2. Financial data indicating the organization's budget for the
27 organization's prior operating year and the amount of that budget spent on
28 services to residents of this state who either:

29 (a) Receive temporary assistance for needy families benefits.

30 (b) Are low-income residents ~~of this state~~.

31 (c) Are ~~children~~ INDIVIDUALS who have a chronic illness or physical
32 disability.

33 3. A statement that the organization plans to continue spending at
34 least fifty percent of its budget on services to residents of this state
35 who receive temporary assistance for needy families benefits, who are
36 low-income residents ~~of this state~~ or who are ~~children~~ INDIVIDUALS who
37 have a chronic illness or physical disability.

38 4. A statement that the organization does not provide, pay for or
39 provide coverage of abortions and does not financially support any other
40 entity that provides, pays for or provides coverage of abortions.

41 K. The department shall review each written certification and
42 determine whether the organization meets all the criteria to be considered
43 a qualifying charitable organization and notify the organization of its
44 determination. The department may also periodically request
45 recertification from the organization. The department shall compile and

1 make available to the public a list of the qualifying charitable
2 organizations.

3 L. For the purposes of this section:

4 ~~1. "Children who have a chronic illness or physical disability" has~~
5 ~~the same meaning prescribed in section 36-260.~~

6 1. "INDIVIDUALS WHO HAVE A CHRONIC ILLNESS OR PHYSICAL DISABILITY"
7 MEANS INDIVIDUALS WHOSE PRIMARY DIAGNOSIS IS A SEVERE PHYSICAL CONDITION
8 THAT MAY REQUIRE ONGOING MEDICAL OR SURGICAL INTERVENTION.

9 2. "Low-income residents" means persons whose household income is
10 less than one hundred fifty percent of the federal poverty level.

11 3. "Qualifying charitable organization" means a charitable
12 organization that is exempt from federal income taxation under section
13 501(c)(3) of the internal revenue code or is a designated community action
14 agency that receives community services block grant program monies
15 pursuant to 42 United States Code section 9901. The organization must
16 spend at least fifty percent of its budget on services to residents of
17 this state who receive temporary assistance for needy families benefits,
18 ~~or~~ TO low-income residents of this state and their households or to
19 ~~children~~ INDIVIDUALS who have a chronic illness or physical disability AND
20 who are residents of this state. Taxpayers choosing to make donations
21 through an umbrella charitable organization that collects donations on
22 behalf of member charities shall designate that the donation be directed
23 to a member charitable organization that would qualify under this section
24 on a stand-alone basis. Qualifying charitable organization does not
25 include any entity that provides, pays for or provides coverage of
26 abortions or that financially supports any other entity that provides,
27 pays for or provides coverage of abortions.

28 4. "Qualifying foster care charitable organization" means a
29 qualifying charitable organization that each operating year provides
30 services to at least two hundred qualified individuals in this state and
31 spends at least fifty percent of its budget on services to qualified
32 individuals in this state. For the purposes of this paragraph, "qualified
33 individual" means a foster child as defined in section 8-501 or a person
34 who is under twenty-one years of age and who is participating in a
35 transitional independent living program as prescribed by section 8-521.01.

36 5. "Services" means cash assistance, medical care, child care,
37 food, clothing, shelter, job placement and job training services or any
38 other assistance that is reasonably necessary to meet immediate basic
39 needs and that is provided and used in this state.

40 Sec. 2. Retroactivity

41 Section 43-1088, Arizona Revised Statutes, as amended by this act,
42 applies retroactively to taxable years beginning from and after
43 December 31, 2018.

APPROVED BY THE GOVERNOR JUNE 7, 2019.

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FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 7, 2019.

Passed the House May 24, 20 19,

by the following vote: 31 Ayes,

29 Nays, 0 Not Voting

R. R. Boyce
Speaker of the House
Jim Drake
Chief Clerk of the House

Passed the Senate February 5, 20 19,

by the following vote: 23 Ayes,

7 Nays, 0 Not Voting

Karen Farn
President of the Senate
Susan Owens
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

24th day of May, 20 19,

at 11:24 o'clock A M.

[Signature]
Secretary to the Governor

Approved this 7th day of

June, 20 19,

at 3:45 o'clock P M.

[Signature]
Governor of Arizona

S.B. 1027

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 7 day of June, 20 19,

at 6:01 o'clock P. M.

[Signature]
Secretary of State